



Press Release  
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## EU Anti-fraud proposals not going far enough, say Auditors

The proposed changes of the European Anti-Fraud Office (OLAF) will not be sufficient to make its investigations significantly more effective, according to an Opinion published today by the European Court of Auditors. In addition, while the proposal reflects well the principles of co-operation between OLAF and the future European Public Prosecutor's Office (EPPO), certain issues could hamper effective collaboration, say the auditors. An Opinion on the EU anti-fraud programme for 2021-2027 is also being published today.

The key objectives of the European Commission's proposal are to adapt OLAF's operations in light of the establishment of the EPPO and to improve OLAF's effectiveness.

Timeliness and the recovery of funds are major challenges for OLAF's investigations, the auditors point out. They welcome the limited number of targeted measures in the proposal, including OLAF's new mandate on VAT fraud, admissibility of collected evidence and access to bank account information. However, the auditors recommend that OLAF's investigations be reviewed by the Court of Justice to ensure that procedural safeguards have been adhered to. Overall, the proposal does not solve the issues surrounding the effectiveness of OLAF's administrative investigations, they warn. The Commission recognises this too, but a schedule for further reform of OLAF and a clear identification of issues to be addressed are both currently lacking.

*"Increasing the effectiveness of its investigations remain challenging issues for OLAF", said Eva Lindström, the Member of the European Court of Auditors responsible for the Opinion. "As it stands, the proposed reform of OLAF does not guarantee that the protection of the EU financial interests will be effectively strengthened".*

As regards OLAF and the EPPO, the auditors note that the proposal does well in reflecting the principles governing their future relations in terms of close cooperation, exchange of information, complementarity and non-duplication of work. However, they also found certain weaknesses in this respect. For instance, the proposal does not address OLAF's role in investigating criminal offences affecting the EU's financial interests when these concern both Member States that participate in the EPPO and those that do not.

Given the proposal's limitations, the auditors stress the need for further action. In the short term, the European Commission should reconsider OLAF's role and responsibilities in combatting fraud in EU spending. To this end,

*The purpose of this press release is to convey the main messages of the Opinion adopted by the European Court of Auditors. The full Opinion is on [www.eca.europa.eu](http://www.eca.europa.eu)*

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the auditors recommend giving OLAF a strategic and oversight role in EU anti-fraud actions. In the medium term, the Commission should evaluate the co-operation between OLAF and the EPPO and, where appropriate, propose further legislative actions to enhance the EU's fight against offences affecting its financial interests.

At the same time, the European Court of Auditors also published an **Opinion on the plans for the next EU anti-fraud programme**.

The Commission's proposed 2021-2027 EU anti-fraud programme supports cooperation between Member States to protect the EU's financial interests. Projects include training and IT systems used to report detected (fraudulent and non-fraudulent) irregularities involving EU funds.

The auditors question the programme's value added and point out a risk of overlaps and lack of synergies between programmes funding similar actions, such as the Customs programme. They also consider that there is a need for more specific and measurable objectives with robust enough evaluation indicators, as well as clearer eligibility rules and clarifications regarding Member States' co-financing contributions.

### **Note to Editors**

The European Anti-Fraud Office (OLAF) was set up in 1999 by means of a Commission decision. Its task is, in particular, to conduct administrative investigations against fraud and any other illegal activities affecting the EU financial interests, as well as assisting Member States in the fight against fraud.

The European Public Prosecutor's Office (EPPO) will start operating in 2020, or by early 2021 at the latest. It will have the power to conduct criminal investigations and prosecute crimes affecting the EU's financial interests. The EPPO has been established under the model of enhanced cooperation. So far, 22 Member States are participating.

The proposed anti-fraud programme for 2021-2027 would continue most of the provisions of the current Hercule III programme. It would also finance two key systems: the Anti-Fraud Information System (AFIS), which covers customs applications managed by the Commission, and the Irregularity Management System (IMS), which assists Member States in their obligation to report detected (fraudulent and non-fraudulent) irregularities related to EU funds.

The total proposed budget for implementing the programme is €180 million for the entire period.

ECA Opinion No 8/2018 concerning the Commission's proposal on amending OLAF Regulation 883/2013 as regards cooperation with the European Public Prosecutor's Office and the effectiveness of OLAF investigations is currently available in English on the ECA website [eca.europa.eu](https://eca.europa.eu); other languages will be added in due course.

ECA Opinion No 9/2018 concerning the proposal for a Regulation of the European Parliament and of the Council establishing the EU Anti-Fraud Programme is currently available in English on the ECA website [eca.europa.eu](https://eca.europa.eu); other languages will be added in due course.

The European Court of Auditors contributes to improving EU financial governance by publishing opinions on proposals for new or revised legislation with a financial impact. The opinions are used by the legislative authorities — the European Parliament and the Council — in their work.